



**Annual Gas Compliance Order
AusNet Services Gas Pty Ltd
2019/2020 Annual Report**



Table of Contents

1. GENERAL DUTIES FOR THE PROVISION OF PIPELINE SERVICES OF COVERED PIPELINE SERVICES BY A SERVICE PROVIDER.	3
2. STRUCTURAL & OPERATIONAL SEPARATION REQUIREMENTS (RING FENCING)	5
3. OTHER REQUIREMENTS	8

1. General duties for the provision of pipeline services of covered pipeline services by a service provider.

1.1 Legal Entity

- a. Nominate the type of legal entity the service provider is according to the specified kinds of legal entity in section 131 of the NGL

The service provider is a legal entity registered under the *Corporations Act 2001*.

- b. What is the registered business name and ABN of the service provider legal entity providing the covered pipeline services?

The service provider is AusNet Gas Services Pty Ltd ABN 43 086 015 036.

- c. Provide an outline of the group structure which is controlled by or which the service provider is a part (including identification of the head company, nature of investment or entity, relationship to the service provider and proportion of assets owned/share of investment within the group) This should include any assets (businesses) it owns or that own it. The group structure should include business that are beneficially controlled such as trustee companies, jointly owned or operated business such as partnerships or joint ventures, businesses that are significant investments or controlled. This can also be represented as an organisation chart.

Refer to *Attachment 1 –AusNet Services Structure Diagram Sept 2020*.

AusNet Gas Services Pty Ltd is the entity that carries out the role of service provider for the gas distribution business and is the entity that would satisfy the meaning of Service Provider in the NGL.

The entity is licensed by the Essential Services Commission of Victoria (ESC) to provide services by means of distribution pipelines services.

1.2 Preventing or hindering access

- a. Is the service provider aware of any claims that it has prevented or hindered access to services on the covered pipeline within the terms of section 133 of the NGL?

AusNet Gas Services Pty Ltd is not aware of any claims that it has prevented or hindered access to its pipelines.

1.3 Supply and haulage of natural gas

- a. Does a producer supply natural gas through the covered pipeline at a place other than the exit flange of the producers processing plant?

AusNet Gas Services Pty Ltd receives gas only from the producer's exit flange.

1.4 Queuing requirements

a. the service provider complied with the queuing requirements of the applicable access arrangement during the year?

AusNet Gas Services Pty Ltd complies with the queuing requirements as defined in AusNet Services' Access Arrangement as per section 5.5 Queuing Policy.

Section 5.5 Queuing Policy states:

5.5.1 Applicability

This Queuing Policy is applicable to requests for New Connections or modifications to existing Connection and is subject to the Extensions and Expansion Policy.

5.5.2 Procedure

(a) The service provider will administer requests by Prospective Users for Connection or a request by a User or Prospective User for a modification to an existing Connection in the following manner:

- (1) The Service Provider will administer requests in the order they are received (on "first come, first served" basis), including advising the prospective user as to the charge (if any) for undertaking or modifying the Connection; and
- (2) The Service Provider may amend the charge first specified pursuant to clause 5.5.2(a)(1) prior to the Connection being made, if additional requests for undertaking or modifying a Connection are received and those additional requests allow the recovery of the charge over a large or different group of Prospective Users or Users.

1.5 Service Provider providing light regulation services must not price discriminate

a. Does the service provider provide light regulation services?

AusNet Gas Services Pty Ltd does not provide light regulation services.

b. If so, are there any differences in the prices of the provision of those services? Please provide an explanation as to why these price differences exist.

N/A

2. Structural & Operational Separation Requirements (Ring Fencing)

2.1 Carrying on of a related business

- a. Provide a list of associates of the service provider that take part in a related business and for each associate describe what the nature of the related business is.

AusNet Gas Services Pty Ltd ABN 43 086 015 036 does not have any associates which take part in a related Business.

- b. Provide a list of associates that are service providers and/or provide pipeline services.

N/A

2.2 Marketing staff and the taking part in related businesses

- a. Provide a list of associates of the service provider that are directly involved in the sale, marketing or advertising of pipeline services.

N/A

- b. Provide a statement as to whether or not any of the service provider's marketing staff are also officers, employees, consultants, independent contractors or agents of an associate of the service provider that takes part in a related business.

N/A

- c. Provide a statement as to whether or not any of the service provider's officers, employees, consultants, independent contractors or agents are also marketing staff of an associate of the service provider that takes part in a related business.

N/A

2.3 Separate accounts must be prepared, maintained and kept

- a. Provide a statement as to whether or not the service provider has prepared, maintained and kept a separate set of accounts in respect of the services provided by every covered pipeline owned or operated by the service provider.

AusNet Gas Services Pty Ltd has prepared, maintained, and submitted a separate set of accounts for the covered pipeline.

These are based on the regulatory year (calendar year) and are submitted to the AER as part of the Annual Regulatory Information Notice (RIN) process. The RIN for the calendar

AusNet Gas Services Pty Ltd
2019 - 2020 Annual Gas Compliance Order Report



year ended 31 December 2019, will be submitted to the AER by 30 November 2020, in accordance with the AER's revised RIN requirements.

- b. Name the legal entity or entities in which the separate accounts are reported, maintained or kept for the services provided by each covered pipeline owner or operator?**

AusNet Gas Services Pty Ltd ABN 43 086 015 036.

- c. Provide a statement as to whether or not the service provider has prepared, maintained and kept a consolidated set of accounts in respect of the whole of the business of the service provider.**

On an annual basis AusNet Gas Services Pty Ltd prepares and maintains and submits Gas Regulatory Accounts.

- d. Name the legal entity in which the consolidated set of accounts are reported, maintained or kept for the services provided by each covered pipeline owner or operator?**

AusNet Gas Services Pty Ltd ABN 43 086 015 036.

- e. Provide a copy of the most recently lodged annual financial reports with the Australian Securities and Investments Commission or if no such reports exists other similar audited financial reports prepared for or provided to a state or territory department, agency or body under relevant state or territory legislation.**

Refer to *Attachment 2_AusNet Gas Services Pty Ltd_SPFR - 31 March 2020*

2.4 Additional ring-fencing requirements or exemptions

- a. Does the service provider have any additional ring-fencing requirements?**

No.

- b. What are these requirements?**

N/A

- c. Provide a statement that these additional ring fencing requirements have or have not been met.**

N/A

- d. Does the service provider have any exemptions for the minimum ring fencing requirements?

N/A

- e. What are these exemptions?

N/A

- f. By what jurisdictional regulator and when were these exemptions granted?

N/A

2.5 Associate contracts

- a. Has the service provider entered into or given effect to any new associate contracts, or varied the terms and conditions of an existing associate contract?

No

- b. For each new or varied associate contract, please indicate the date the new or varied associate contract was entered into or given effect?

N/A

- c. For each new or varied associate contract, please indicate if the contract or variation was approved by the AER and the date that it was approved?

N/A

- d. If the associate contract was not approved by the AER, please indicate what date the new or varied associate contract was provided to the AER?

N/A

3. Other Requirements

3.1 Ensuring applicable access arrangement and other specified information is available on website.

(i) Making access arrangements or terms and conditions of access available

a. Has the service provider published the approved access arrangements on website?

AusNet Services' Gas Access Arrangement Review is available on both the AusNet Services' and Australian Energy Regulator's (AER) websites.

b. Provide the web site address where this access arrangement can be accessed and the date that this access arrangement was provided on the web site

AusNet Services revised access arrangement 2018-22 was published on the AER's website in August 2017.

The AER published their final decision to AusNet's Gas Services revised access arrangement in November 2017. This information can be accessed from:

AER Website:

<https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/ausnet-services-access-arrangement-2018-22/revised-proposal>

AusNet Services Website:

<https://ausnetservices.com.au/en/Misc-Pages/Links/About-Us/Publications>

c. Has the service provider received any requests from the AER to provide to prospective users generally other information specified as reasonably necessary to determine if access should be sought?

No

d. Provide details of when and how this request was met.

N/A

(ii) Publishing approved competitive tender process access arrangement

- a. Where there is an approved competitive tender process access arrangement in place for a covered pipeline, has the service provider published the approved access arrangement on its website?

Not applicable. The Access Arrangement was not developed via a competitive tender process therefore the question does not apply to AusNet Gas Services Pty Ltd.

- b. Provide the website address where this access arrangement can be accessed and the date this access arrangement was provided on the web site.

N/A

(iii) Publishing terms and conditions of access to light regulation services

- a. Where there is access to light regulation services on a covered pipeline, has the service provider published tariffs and other terms and conditions for these services on its website?

N/A

- b. Provide the web site address where this information can be accessed and the date this information was first made available on the site.

N/A

- c. Has the service provider had access negotiations regarding light regulation services? If so, the following will need to be reported, the name of the party requesting the service, the pipeline service requested and the outcome of the access negotiations.

N/A

3.2 Access Determinations

- a. Has the service provider been party to an access determination?

Yes.

- b. When did the determination become operative?

1 January 2018.

- c. For what period is the access determination in place?

The Access Arrangement is in place until 31 December 2022. However, we understand that the Victorian Government intends to extend the current Access Arrangement period by 6 months. The legislation to give effect to this is expected to be passed by Parliament by the end of the year.

3.3 Confidentiality

a. Provide a statement that the confidentiality requirements under Rule 137 of the NGR have or have not been met.

To the best of AusNet Services Pty Ltd's knowledge, Rule 137 has been complied with during the reporting period. Rule 137 provides:

1. *A scheme pipeline service provider must not:*
 - a. *disclose relevant confidential information; or*
 - b. *use relevant confidential information for a purpose other than the purpose for which the information was given to the service provider.*

2. *A scheme pipeline service provider must take all practicable steps to protect relevant confidential information in the service provider's possession against improper disclosure or use.*

- We recognise that AusNet Gas Services Pty Ltd has a duty to maintain the confidentiality of relevant confidential information and we have put in place practices and procedures that reflect this.

- We understand that relevant confidential information received by AusNet Gas Services Pty Ltd, in its capacity as a Pipeline Service Provider, should only be used for the purpose for which the information was given.

- We have various mechanisms and /or policies in place to ensure that confidential information provided to AusNet Gas Services Pty Ltd is protected against improper disclosure or use.

b. Has the service provider established an internal protocol or policy guideline or procedure manual for the handling of confidential information? If so, please provide the AER with the relevant policy manual.

The mechanisms in place to ensure the appropriate handling of confidential information include:

- Employment contracts contain a confidentiality clause
- AusNet Services Information Security Policy
- AusNet Services Code of Conduct
- AusNet Services Information Services Acceptable User Policy

- Periodic training
- Implementation of Access Controls
- Relevant confidentiality clauses in agreements relating to the provision of services on the Gas Distribution Network
- Requirement for third parties to sign a confidentiality agreement
- Privacy Policy, which is accessible via AusNet Services website <https://www.ausnetservices.com.au/Misc-Pages/Privacy>
- Code of Conduct (public version) <https://ausnetservices.com.au/-/media/Files/AusNet/About-Us/Corporate-Governance/04005-Code-of-Conduct-Issue-9-Website-Version.ashx?la=en>

3.4 Bundling

- a. Has the service provider bundled any of its services when providing access or negotiating access with a prospective user?**

AusNet Gas Services Pty Ltd does not bundle its services in providing access to the gas network.

- b. If so, provide a description of the bundled services and related conditions of access.**

N/A